

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the  
Commonwealth and ERS.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO TO RESPONSE FILED BY  
PONCE REAL ESTATE CORPORATION TO SIXTY-NINTH OMNIBUS OBJECTION  
(NON-SUBSTANTIVE) OF THE COMMONWEALTH OF PUERTO RICO AND  
EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE  
COMMONWEALTH OF PUERTO RICO TO SATISFIED CLAIMS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”) and Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the representative of the Commonwealth and ERS, pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> file this reply (the “Reply”)

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

to the *Response to Sixty-Ninth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico and Employees Retirement System of Government of the Commonwealth of Puerto Rico to Satisfied Claims* [ECF No. 8780] (the “Response”), filed by claimant Ponce Real Estate Corporation (the “Claimant”), in response to the *Sixty-Ninth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico and Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Satisfied Claims* [ECF No. 8695] (the “Sixty-Ninth Omnibus Objection”). In support of this Reply, the Commonwealth and ERS respectfully represent as follows:

1. On September 12, 2019, the Commonwealth and ERS filed the Sixty-Ninth Omnibus Objection seeking to disallow claims that have been satisfied. Each claim identified in Exhibit A of the Sixty-Ninth Omnibus Objection purported to assert liability based on a contract, purchase order, and/or invoice entered into or issued by the Commonwealth, an agency of the Commonwealth, or ERS. The records of the Commonwealth, its agencies, or ERS, however, establish the liabilities associated with the satisfied claims have been fully paid, as detailed in Exhibit A of the Sixty-Ninth Omnibus Objection.

2. On September 27, 2019, the Claimant filed the Response and asserted that Claimant’s proof of claim, which was filed against the Commonwealth on May 21, 2018, and logged by Prime Clerk as Proof of Claim No. 18335 (the “Claim”), was not fully satisfied. Response at 1. The Claim asserted a total liability of \$45,606, which, according to Claimant, reflected unpaid rent from July 2017 to May 2018.

3. On September 21, 2018, Claimant filed a *Motion for Application Requesting Administrative Rent Payment* [ECF No. 3958], which sought post-petition payments for the amount of \$62,190.00, reflecting unpaid rent due and owing from July 2017 through September

2018. On December 20, 2018, Claimant and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) jointly filed the *Joint Informative Motion Regarding Ponce Real Estate Corporation’s Motion for Application Requesting Administrative Rent* [ECF No. 4545] (“Joint Motion”), pursuant to which the Commonwealth “authorized a payment directed to [Claimant] in relation to the amounts claimed in the Motion.” Joint Motion at 2.

4. As explained in the Sixty-Ninth Omnibus Objection and in the Joint Motion, the Commonwealth’s records establish that the amounts asserted in the Claim have been paid. Specifically, the Commonwealth’s records demonstrate that the following invoices were paid on the following dates:

- Invoice No. 52018, reflecting rent for the month of May 2018, was paid via Check No. 00249780 dated 12/19/2018.
- Invoice No. 42018, reflecting rent for the month of April 2018, was paid via Check No. 00249783 dated 12/19/2018.
- Invoice No. 0318060061062, reflecting rent for the month of March 2018, was paid via Check No. 00247359 dated 12/03/2018.
- Invoice No. 0218060061062, reflecting rent for the month of February 2018, was paid via Check No. 00247356 dated 12/03/2018.
- Invoice No. 0118060061062, reflecting rent for the month of January 2018, was paid via Check No. 00247354 dated 12/03/2018.
- Invoice No. 1217060061062, reflecting rent for the month of December 2017, was paid via Check No. 00247355 dated 12/03/2018.
- Invoice No. 1117060061062, reflecting rent for the month of November 2017, was paid via Check No. 00247360 dated 12/03/2018.
- Invoice No. 1017060061062, reflecting rent for the month of October 2017, was paid via Check No. 00247357 dated 12/03/2018.
- Invoice No. 0917060061062, reflecting rent for the month of September 2017, was paid via Check No. 00247358 dated 12/03/2018.
- Invoice No. 0817060061062, reflecting rent for the month of August 2017, was paid via Check No. 00247353 dated 12/03/2018.
- Invoice No. 071760, reflecting rent for the month of July 2017, was paid via Check No. 00247361 dated 12/03/2018.

5. The Response does not dispute that Claimant received the checks referenced above, or that those checks satisfied the \$45,606 asserted by the Claim.

6. Instead, the Response asserts that the Commonwealth owes additional rents for the period from August 2018 to February 2019, and that Claimant has filed an amended claim asserting those amounts. That amended claim is not subject to the Sixty-Ninth Omnibus Objection, however, and as such, whether Claimant asserts additional amounts in its amended claim has no bearing on whether the Claim should be disallowed.

7. Accordingly, since the parties do not dispute that the amounts asserted in the Claim have been paid, the Commonwealth and ERS respectfully request that the Court grant the Sixty-Ninth Omnibus Objection. The Commonwealth and ERS reserve the right to object to the Amended Claim on any grounds whatsoever.

Dated: October 23, 2019  
San Juan, Puerto Rico

Respectfully submitted,

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